

The University of Chicago

HISTORY OF THE CHICAGO ASSOCIATION OF COMMERCE

A PART OF A DISSERTATION SUBMITTED TO
THE FACULTY OF THE DIVISION OF THE
SOCIAL SCIENCES IN CANDIDACY FOR THE
DEGREE OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF HISTORY
JUNE, 1941

By
LOUISE DRUSILLA WALKER

CHICAGO, ILLINOIS

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Scope

The purpose of this study is to determine the nature of the Chicago Association of Commerce by sketching its history, observing the number and type of its members, the form of its organization, and the activities in which it has engaged. It was found that the Chicago organization was formed in 1904, with ninety-three members, that its peak membership was about seven thousand, and that its present size is about four thousand. The form of its organization corresponds to that of most semi-private bodies, whose general policies are determined by committees of its members and the greater part of whose work is performed by a paid staff. The number on the paid staff varies of course with membership roll, but from fifty to sixty is a reasonable estimate of full time employees. The members are drawn from the employing class and represent conservative business interests. The Association of Commerce therefore belongs in the same general class of association as the various manufacturers' associations, trade associations and Rotarian groups. Its distinguishing characteristic is that its basis of membership is more inclusive, there being no limit to the number of representatives allowed from any given business, and to the inclusiveness of its trade promotion programs. Its end and aim is to promote commerce and it does not specialize upon any one industry nor does it engage actively to the extent of a manufacturers' association in the effort to defend the interests of management as opposed to those of labor.

Since the chief purpose of the Association of Commerce is to promote trade both at home and abroad, the main emphasis of the dissertation has been upon these activities. As means of increasing both the volume and the quality of domestic commerce the following devices have been described and evaluated:

1. Market Events, such as trade shows
2. Trade Extension Trips
3. Industrial Development, e. g., the location of new factories

4. Market analysis and protection, e. g., surveys, statistics, etc.
5. Conventions
6. Protection of shipper interests in transportation problems by providing routing information and representation before regulatory bodies.

In the foreign markets the promotional activities of the Association of Commerce have been of the same general type as those employed in the home market. With markets already well exploited the Association has contented itself with the role of a fact-finding agency. It has collected and distributed information with regard to routing, customs, firms interested in Chicago business, etc. These services were found to be applicable to the European markets. With the unexploited markets of Mexico and South America, more aggressive methods have been employed. Trade extension tours, travelling representatives and the establishment of a foreign office were noted here.

Following the description of the Association's trade promotion activities, its relations with the national, state and city governments were discussed. Without cavil the Association was conceded to be an organization which lobbies in both the national and state legislatures. Its pressure methods were examined. Constant bombardment of legislators with letters and telegrams was observed. Delegations of interested members were noted journeying to Washington and Springfield and finally the employment of a paid lobbyist at the state capital was commented upon. A marked increase in legislative activity since 1932 was observed. In national and in state politics the Association has favored what it considered sound tax policies, i. e., low property and corporation taxes and reciprocal tariffs. It has temporarily conceded the necessity for a sales tax. In the field of that type of social legislation illustrated by the old age pension laws, it has been flatly reactionary.

With respect to civic activities the Chicago Association of Commerce has an interesting and varied record. Working under the assumption that any activity which improves business conditions in Chicago is a legitimate concern of an Association of Commerce, the organization has given such matters as improved paving, endorsement of charities, crime control, educational surveys, and

clean-up campaigns its continuous interest. It has caused special studies to be made of the stockyards, smoke abatement, housing, and the accounting methods of the Sanitary Commission. For fire and flood relief it has created emergency committees and evoked emergency funds.

A final service of the Association for its members has been continuous. Evolved in an urban environment and an industrial age it has provided for its individual members convenient means of achieving friendship and civic status. The extent to which the Association preaches the gospel of the American businessman was observed in all of its literature.

Throughout this study attention has been directed to the public relations of the C.A.C. The means of securing publicity for its various activities have been described. Both the nature and volume of its printed publicity was observed, and the many efforts to secure popularity for the ideals and programs of the club through personal interviews, public speeches, entertainment and community service have received attention. A notable rapprochement between the Association and the press of Chicago was commented upon.

Conclusion

Although it is impossible to define units of value or of success in the fields of activity in which the Association of Commerce functions, it is permissible to make some general statements on the basis of the findings of this study. With regard to the form of its organization the Association is reasonably efficient. It has unquestionably been able to exact time and interest from its voluntary membership which speaks highly of their estimation of its importance. The policy which its members have retained of abolishing old committees and of creating new ones testifies to its ability to adapt to changing circumstances. In the year of 1939-40, the profusion of old committees which had been allowed to grow up in the past fifteen years was about to be pruned, and the functions of the organization were in the process of careful analysis from a new head executive officer with both academic and practical training. This movement was deemed an evidence of the vigor and health of the organization.

In the field of market promotion, judging on the basis of its own literature the Association was thought to have been most successful in the organization of market events, and in procuring conventions. More moderate achievement was observed in the field of market analysis and protection and very moderate results in that which is technically known as industrial development, particularly in the location of new industries. With respect to the work of the transportation department, the Association has been eminently successful in collecting and distributing shipping information, and has played an important role in defending the interests of shippers of package freight before government regulatory bodies. It has also conducted a propaganda campaign for the betterment of Chicago's harbor facilities, for the St. Lawrence waterway and for the Lakes to the Gulf Waterway. In this latter endeavor the measure of the Association's influence simply cannot be determined. The same observation holds true with respect to the Association's efforts to promote foreign trade. There are no figures of definite value on the volume of Chicago's foreign trade, and the relative effect of the Association's efforts to increase it are even less possible of assessment. Here the researcher has to be content with a description of the methods used.

As a pressure group the Association has aligned itself with other employing organizations such as the Illinois Manufacturers' Association and so its record of accomplishment is not independent. Its chief attitudes with regard to legislation are severe scrutiny of new tax bills and antagonism towards what is popularly called "social legislation."

The study of its civic endeavors led to the conclusion that its greatest services have been in the field of determining the financial status of private charities, in creating publicity for crime control, and in high school clean-up campaigns. Valuable support has been given to special emergency and investigating committees, such as those for fire and flood relief or the Strawn Committee on tax reform. Studies on Smoke Abatement and Continuation Schools have been described which seem to have contained adequate analysis but which produced no appreciable results. Moderate success accompanied the examination of the books of the Sanitary Commission (1925-26), and what appeared to be an almost willful withholding of facts if not actual misrepresentation of

them was observed in the earlier Stock Yards Investigation (1905). Neither positive nor negative results followed the Association's housing investigation. The championship of the employing group assumed by the Association in the dispute with the building trades over the Landis Award showed its attitude as hostile to labor organizations in that instance, but although conspicuous and at least temporarily successful, the incident was not typical as the Association does not ordinarily fill an active role in labor disputes. As a civic minded group, able to assume responsibility and desirous of serving its city, the Association then has several distinct achievements to its credit, a few futile gestures have been made at reform, and in even fewer instances has its action or attitude resulted in positive harm, or the increased negligence of inertia. It has a fairly clean record. But in all probability it would be more effective if it would concentrate its reform efforts upon a few issues.

As a piece of historical research, probably the most significant contribution made by this study is to be found in the chapters dealing with the description of the means employed by the Association in market promotion. The material on this topic although abundant is not as yet well organized, and any study dealing with a phase of it must therefore be of assistance in the assembling of adequate data about it. It is a topic vital to an understanding of modern economic history. It is thought too, that in describing the organization and functions of a chamber of commerce, light is shed upon the recent industrial scene, for this chamber of commerce is an institution which is making an effort to define its place in the modern city of Chicago and to provide a means through which the individual can express his personal need for fellowship and social status, and can serve his city usefully.

Sources

The chief sources for this study have been the so-called literature of the organization. Composed over a period of thirty-five years by a wide variety of people, this literature has had the advantage of being the work of many minds. The resulting picture therefore, has an authenticity which it could not otherwise have. Even in the case of the material on market promotion this advantage was marked. In this instance, however, so few of the

mimeographed sheets and printed leaflets had been preserved from the early days of the organization that the emphasis was thrown rather heavily on the more recent years. To secure continuity in the narrative heavy reliance was placed upon the annual reports of the Association and upon the magazine Commerce. Where government or other relatively unprejudiced sources existed, they have been consulted. If there had been accessible any letters or files of the organization, the story might have been amplified, but a series of interviews with the administrative staff and with individuals outside of the organization failed to reveal any topic concerning which the narrative could have been materially changed. It is therefore, submitted that the estimates contained in this dissertation are appreciably near the truth, and that the errors are sins of omission rather than of commission.

